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# Malawi: Troubled Times Ahead

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**An Intelligence Assessment**



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*ALA 83-10119  
August 1983*

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## **Malawi: Troubled Times Ahead**

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**An Intelligence Assessment**

This paper was prepared by [redacted]  
Office of African and Latin American Analysis, with  
contributions from [redacted]  
[redacted] Office of Central  
Reference. It was coordinated with the Directorate  
of Operations. [redacted]

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Comments and queries are welcome and may be  
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**Malawi:  
Troubled Times Ahead**

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**Key Judgments***Information available  
as of 15 July 1983  
was used in this report.*

The normally placid south-central African country of Malawi may be heading toward a period of turmoil and uncertainty. Political infighting has intensified sharply in recent months amid growing signs that the long tenure of the country's octogenarian founding father, "Life President" Hastings Kamuzu Banda, may be drawing to a close. [REDACTED]

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Western countries have a stake in the future of this small, landlocked former British colony. Banda, Malawi's ruler since independence in 1964, has pursued a firm and consistent pro-Western course in foreign affairs and has taken moderate positions on African issues. He has also followed sound economic stabilization and development policies. [REDACTED]

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Banda has ruled with an iron hand since independence. For most of the past two decades, he has apparently enjoyed the support of the vast majority of Malawians. They have credited him for Malawi's stability and its respectable economic performance during the 1960s and 1970s. [REDACTED]

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In the past couple of years, however, there have been signs that Banda's grip on power is beginning to slip. He still is mentally alert, but age is taking its toll. He no longer seems to dominate day-to-day affairs of government as he once did. Key advisers increasingly appear to be making decisions in his behalf. [REDACTED]

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These advisers and other political figures have been jockeying for position in anticipation of the post-Banda era. The atmosphere heated up abruptly this May with the unexplained deaths of four prominent politicians, two of whom were regarded as strong contenders to succeed Banda. Many Malawians believe that the President's advisers ordered the men killed. US officials in Malawi report that the men enjoyed considerable public support and that much of Banda's popularity has dissipated as a result of their suspicious deaths. Popular dissatisfaction with the government's handling of the episode prompted the leadership of the armed forces to consider intervening. [REDACTED]

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[REDACTED]

In addition, Malawi has increasingly been confronted with serious economic troubles that are unlikely to abate any time soon. These problems are largely the result of factors beyond the government's control, such as rising costs of imports and a drought in 1980 and 1981. At the same time, a South African-sponsored insurgency in neighboring Mozambique has severely impaired Malawi's ability to use traditional trade routes to the sea, sharply increased transportation costs, and caused chronic shortages of many essential goods. [REDACTED]

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The transport squeeze, in turn, has increased the country's economic dependence on South Africa, which already was Malawi's largest supplier. Malawi remains the only black African state that recognizes Pretoria. [REDACTED]

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In recent years, the Banda regime has taken several steps that have reduced somewhat the diplomatic and political isolation resulting from its links with South Africa. For example, the government has achieved some improvements in its traditionally cool relations with neighboring Mozambique and Zambia, and it has joined an economic grouping of black southern African states that seeks to reduce the region's dependence on Pretoria. [REDACTED]

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We believe that Malawi's transition to a new leadership, whenever it comes, probably will not adhere to the complex procedures stipulated in the country's constitution. There is a strong possibility that Banda will, in effect, designate a successor, perhaps by installing a trusted aide as prime minister or vice president—offices not now provided for in the constitution. In that case, we believe he might well select central bank governor John Tembo, although Tembo's unpopularity could lead Banda to choose someone else—perhaps to serve as a figurehead, with Tembo exercising power behind the scenes. [REDACTED]

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If Banda does not select an heir, the country's next leader will probably emerge from the circle of senior advisers now close to the President. In addition to Tembo, this group includes presidential adviser John Ngwiri, police chief Mackson Kamwana, Army Commander Melvin Khanga, and Tembo's strong-willed niece, Cecilia Kadzamira, who is Banda's longtime confidante. Several or all of the members of this group might well wield power collectively. [REDACTED]

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In the event of violence or a protracted succession struggle, we believe the Army under Khanga would assume power. Khanga—who virtually all observers in Malawi believe was not involved in the killings of the four politicians—enjoys wide popularity. He probably would have the support of most civilians and military personnel if he were to take over.  25X1

All of the people in the circle of likely successors would probably be inclined to maintain Malawi's strongly pro-Western orientation. At the same time, they probably would continue Banda's policy of inching Malawi toward the African mainstream. Indeed, they might look more energetically than he has for alternatives to the country's economic dependence on South Africa. But we see no attractive options for Malawi to its aid and trade links with Pretoria, and, for this reason, we do not think any Malawian regime will jettison these ties in the near term.  25X1

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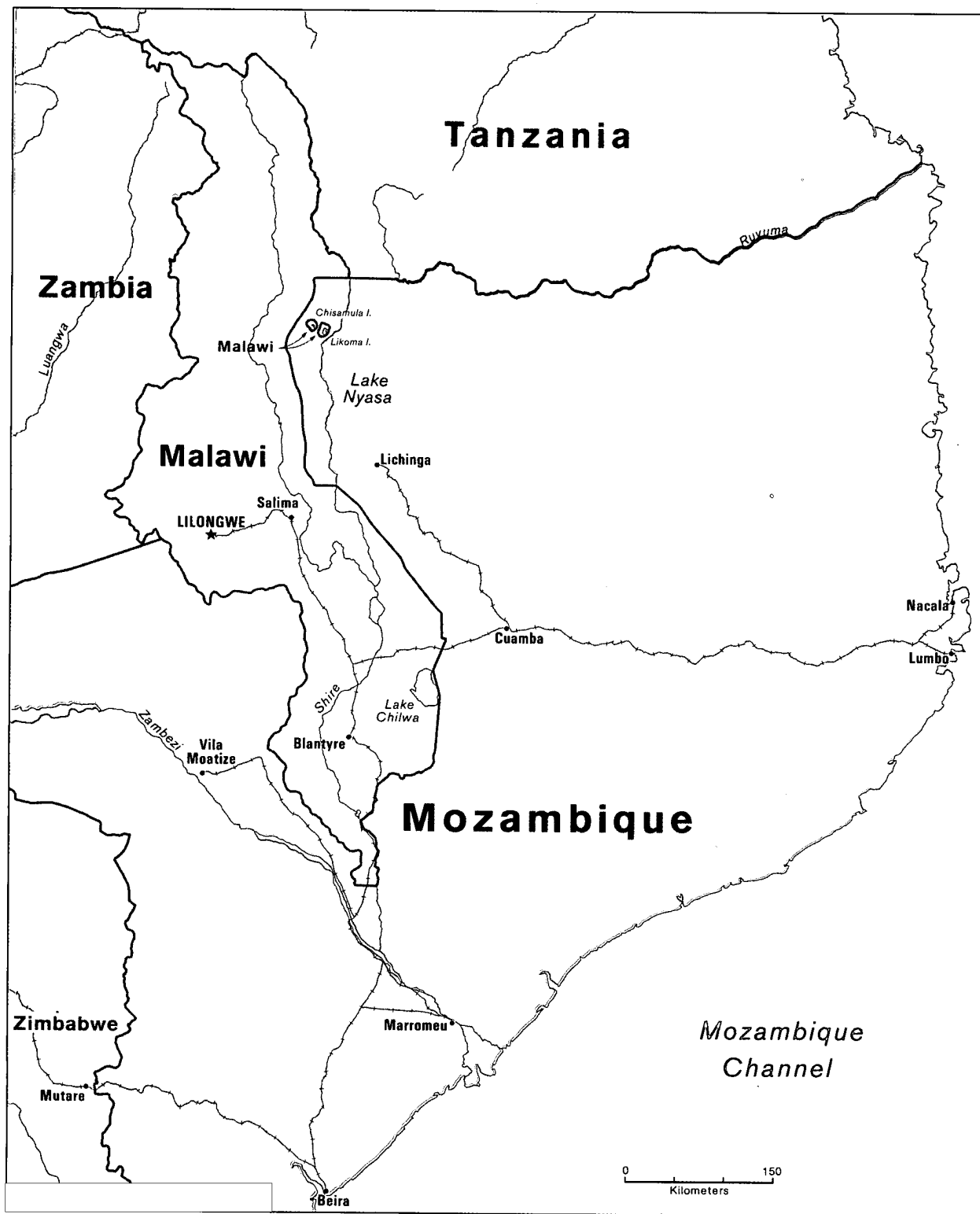
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## Malawi: Troubled Times Ahead

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### Introduction

Since independence in 1964, Life President Hastings Kamuzu Banda has pursued a strongly pro-Western foreign policy and a pragmatic, market-oriented domestic economic course. Under his autocratic, paternalistic rule, Malawi has been among the most stable countries on the continent. Over the past several years, however—and particularly during the last few months—infighting among those who want to succeed Banda, now in his mideighties, has intensified. At the same time, the once vibrant economy has stagnated, largely for reasons beyond Malawi's control.

This paper examines Malawi's prospects under Banda or a successor regime in light of these growing difficulties. It also assesses the implications for the United States.



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### Growing Political Uncertainty

#### The 1960s and 1970s: A Tight Ship

Banda has ruled Malawi dictatorially ever since independence. He has exercised control through close personal supervision of the country's main institutions—the official political party, the civil service, the Army, and the police.

Banda heads the sole legal political party, the Malawi Congress Party, and it has been a key element in his domination of the country, according to US Embassy reporting. With over 1,200 branches and active women's and youth leagues, the party is a pervasive force throughout Malawi. In the government, Banda has reserved for himself the most important ministerial portfolios—defense, foreign affairs, justice, and agriculture. He also has retained personal control over decisions affecting the Army and the police.

Banda moved ruthlessly to suppress dissent in the 1960s, and little has surfaced within the country since then. Despite Banda's authoritarian approach, US Embassy reporting indicates that he retained wide popularity throughout the 1960s and 1970s as the country's founding father and as the architect of its relatively good economic performance. Most Malawians have long regarded their country as better off, and better governed, than neighboring states, according to the Embassy.

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Banda over the years has built up his image as the nation's benefactor by tightly controlling the media and fashioning a cult of personality.<sup>1</sup> He has made a particular effort to marshal support among Malawian women, who play a highly visible role in the country's political life. Perhaps more than any other African leader, Banda has exhibited a determination to bring women into government and party posts, according to US Embassy reporting.

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<sup>1</sup> Appendix A provides a biographic profile of Banda.

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**Recent Difficulties**

During the past couple of years there have been signs that Banda's hold on power may gradually be slipping. His advancing age is clearly a major factor. Most observers believe he is in his mideighties; Banda himself claims he does not know his exact age. Although he is still mentally alert, he tires easily and his eyesight may be failing, according to the US Embassy. His public speeches have become much shorter in recent years. [ ]

Other US Embassy reports state that the President's advisers have increasingly been curtailing the flow of paper to his desk and have been making more decisions without consulting him. They also have sought to insulate him from bad news. In 1981, for example, he was not informed of a major food shortage until it had reached near-critical proportions. [ ]

**Presuccession Infighting.** Banda has never designated a successor. Indeed, any public reference to a post-Banda era has been viewed by the President and his aides as seditious, according to US Embassy and press reporting. Throughout his tenure, moreover, officials who have appeared to be emerging as heirs apparent have been summarily dismissed and in some cases arrested. [ ]

Infighting among would-be successors heated up abruptly this May. Four prominent politicians—two of whom had widely been regarded as strong presidential contenders—died in what the government alleged was an automobile accident. According to US officials in Malawi, most foreign and domestic observers in Malawi believe that top aides of the President had the men killed, possibly after convincing Banda that the four were undermining his leadership.<sup>2</sup> Banda's own role in the affair remains unclear. [ ]

The two groups—the presidential advisers and the senior politicians—had long viewed one another as adversaries, according to US officials in Malawi. The

<sup>2</sup> Banda's key aides include central bank governor John Tembo; Tembo's niece, Cecilia Kadzamira, who is the President's official hostess and longtime confidante; and presidential adviser and chief of staff John Ngwiri. Police chief Mackson Kamwana and the Army Commander, Gen. Melvin Khanga have close ties with these people, according to US officials in Malawi. See appendix B for further details. [ ]

most prominent of the dead politicians were the ruling party's secretary general, Dick Matenje, and a long-time cabinet member, Aaron Gadama. In the weeks preceding their demise, the politicians had made speeches in the normally quiescent parliament indirectly accusing the advisers of mismanagement and corruption. [ ]

US officials in Malawi report that the four men enjoyed considerable public support and that much of Banda's popularity has dissipated as a result of their suspicious deaths. Reporting from the Embassy indicates that the removal of these men has significantly weakened the party as a political force around the country and as a check on the power of the presidential advisers. [ ]

With Banda's reputation tarnished by the killings and many Malawians convinced that the President no longer is fully controlling events, Army Commander Khanga has considered seizing power. [ ]

Shortly after the deaths were announced, Khanga confided to the attache that he and his senior commanders had "war gamed" a military takeover, but had decided against it for the time being because there had been no major civil disturbances and the government still seemed to have the situation under control. Parliamentary elections were held in late June without incident and resulted in the reelection of most of Banda's ministers. [ ]

Khanga—who virtually all observers in Malawi believe was not involved in the killings—is the most popular figure in the country. [ ]

He probably would have the support of most civilians and military personnel if he were to take over. [ ]

Despite Khanga's reputation for loyalty to Banda, we believe he may seize power if widespread civil disorders occur. Although we think such disturbances are unlikely in the near term, we do not rule them out. In a crisis, we would expect the police to follow the lead of the Army because of the military's greater strength and the good rapport between the leaders of the two forces. [ ]

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*The Security Forces*

*Malawi's armed forces and police are major pillars of the Banda regime. Army Commander Khanga and Police Inspector General Kamwana sit on the powerful National Security Committee, which is broadly equivalent to the US National Security Council, and both have direct access to the President.* [redacted]

*The 5,000-man Army is designed to serve as a mobile counter-insurgency force. It consists of three infantry battalions and one support battalion. The armed forces also include a small air wing, a four-boat naval detachment deployed on Lake Nyasa, and a 1,200-man militia.* [redacted]

*The Army is one of the best trained and disciplined in the region, according to the US Embassy, but it is smaller and less well equipped than those of neighboring states. It would probably be unable to protect Malawi against a major incursion by Tanzanian, Mozambican, or Zambian forces, but the likelihood of such direct aggression in the foreseeable future appears minimal. The Army probably could suppress internal disturbances or small-scale raids launched by Malawian dissidents from neighboring states.*

[redacted]

*Malawi's police force has a strength of about 4,000. It includes a 500-man armed paramilitary unit, as well as a small Special Branch responsible for intelligence collection and protection of the President.* [redacted]

*Until fairly recently, the police enjoyed a reputation for honesty and professionalism. During the past few years as the economy has deteriorated, their image has increasingly been tarnished by corruption,* [redacted]

[redacted]

*There traditionally has been a degree of rivalry between the police and the Army. Nonetheless, relations between leaders of the two services are good, according to US officials in Malawi.* [redacted]

*The armed forces and police are Western-oriented, according to the US Embassy. Many personnel have received training in the United Kingdom, West Germany, France, and, to a lesser extent in the United States.* [redacted]

**Dissident Activity.** US Embassy and press reporting from neighboring countries indicates that the deaths of the four politicians and a growing belief that Banda's hold may be slipping have led exiled opponents of the regime to step up their verbal attacks on his government and to intensify their organizational efforts. In June Malawian dissidents in Zambia announced formation of a "Save Malawi Committee" and called on their countrymen at home to engage in acts of civil disobedience. According to the US Embassy in Lilongwe, Banda's government appears worried that the committee might try to infiltrate Malawian dissidents into the country from Zambia.

[redacted]

A principal aim of the new committee is to create a united front among the main anti-Banda exile groups—the Socialist League of Malawi (LESOMA), the Malawi Freedom Movement (MAFREMO), and

the Congress of the Second Republic (CSR). Members of the three movements have long been dispersed in Tanzania, Zambia, Mozambique, and Zimbabwe. An effort to unite them two years ago foundered because of ideological and personal rivalries, and we doubt that they will forge an effective union any time soon.

[redacted]

The anti-Banda movements have other difficulties. According to the US Embassy, they receive little external support and lack arms. Moreover, they have had to keep a low profile in the countries around Malawi to avoid antagonizing their host governments.

[redacted]

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The groups also have been infiltrated by Malawian agents, according to reporting from the US Embassy in Lilongwe. Possibly as a result, the head of LESOMA, Attati Mpakati, was murdered in Zimbabwe in March 1983. The Banda government has denied involvement, presumably to avoid straining relations with Zimbabwe. [ ]

The leader of MAFREMO, former Justice Minister Orton Chirwa, and his wife were seized by Malawian police in late 1981. A variety of sources have indicated that Malawian police agents abducted the Chirwas from Zambia. In May 1983 a traditional Malawian court convicted them of treason, which carries the death sentence, and they are now appealing. The case has received considerable press attention in the West, where the Chirwas had many contacts. [ ]

Although there is no organized opposition to Banda inside Malawi, the actions against Mpakati and the Chirwas have added to antigovernment sentiment within the country, according to US Embassy reporting. Orton Chirwa in particular appears to enjoy considerable respect among Malawians. [ ]

In view of the dissidents' weakness, we doubt that they will pose a significant threat to Banda in the near term. Nonetheless, they almost certainly will continue trying to exploit the government's difficulties, and some of them—particularly Chirwa, assuming he is not executed—may be given a role in a successor government. [ ]

### The Faltering Economy

Growing economic troubles also are eroding Malawi's stability. The economy performed reasonably well through the 1960s and 1970s but has stagnated in the 1980s. Real growth in GDP was less than 1 percent in 1980 and again in 1981. It rose to 3 percent in 1982 but, according to the US Embassy, this gain only reflected recovery from the low level of agricultural production in 1981. [ ]

Living standards have declined in the past several years. Increases in prices of food staples and other basic consumer goods have far exceeded modest wage hikes. In addition, the government's curtailment of a

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### Past Economic Progress

*Malawi is listed by the United Nations as one of the world's 30 poorest countries, despite significant economic gains since independence. Per capita income is only around \$170, but this figure represents almost a 100-percent increase since 1964.* [ ]

*Because Malawi has no known mineral resources of commercially exploitable value, agriculture has been the mainstay of the economy. It accounts for nearly 50 percent of GDP and about 90 percent of export earnings, according to the US Embassy in Lilongwe. Nine out of 10 Malawians live in rural areas and depend on agriculture for their livelihood. Most of the farming is done by smallholders, and corn is the main food crop. Major export crops include tobacco, sugar, tea, and groundnuts.* [ ]

*Malawi has only a small manufacturing sector. Most firms process agricultural commodities or produce basic consumer items.* [ ]

*Malawi achieved nearly uninterrupted economic growth during the first 15 years of Banda's rule. Real GDP grew at an average annual rate of 7 percent between 1964 and 1978, while per capita income rose at a rate of 4.2 percent, according to the US Embassy. Contributing to this strong economic performance were the government's market-oriented policies, its emphasis on agricultural development, and its effective use of foreign aid.* [ ]

*Throughout Banda's rule, his government has placed a higher priority on bolstering production than on expanding social services. As a result, literacy is only about 25 percent, according to open sources, and Malawi has the third highest number of persons per physician among Sub-Saharan African nations. The infant mortality rate—172 per 1,000 live births, according to the US Embassy—is well above the average for black Africa.* [ ]

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**Principal Dissident Movements**

	Socialist League of Malawi (LESOMA)	Malawi Freedom Movement (MAFREMO)	Congress of the Second Republic (CSR)
Leader	Grey Kamuyambeni (LESOMA headed by Soviet-trained economist Attati Mpakati before his murder in March 1983)	Former Justice Minister Orton Chirwa, who in May was condemned to death for treason but has appealed	Former Minister of Foreign Affairs Kanyame Chiume
Origins	Thought to have been formed in mid-1970s	Thought to have been formed in mid-1970s	Unknown
Membership	3,000 to 6,000, mostly outside Malawi	Approximately 100; some support within Malawi	Approximately 50; little support within Malawi
Headquarters	Dar es Salaam	Dar es Salaam	Dar es Salaam
Reported external support	Academic training of members in the USSR and East Germany	None	Military training of members by PLO in Lebanon and Syria
Activities	Rhetorical attacks on Banda regime, circulation of subversive tracts within Malawi	Rhetorical attacks on Banda regime	Rhetorical attacks on Banda regime
Ideology	Socialist, seeks government control of means of production, anti-Western	Nationalist, emphasizes civil liberties, nonaligned	Radical socialist, anti-Western

number of development projects for budgetary reasons has led to higher unemployment and some increase in restiveness among the generally placid and uncomplaining populace, according to the US Embassy. [ ]

**Causes of the Decline**

Based on US Embassy reporting, we believe the economic slowdown of recent years is largely a result of factors beyond the government's control—worsening terms of trade, persisting drought, and transportation disruptions stemming from the insurgency in neighboring Mozambique. [ ]

The prices Malawi receives for its principal agricultural exports have not kept pace with rising import costs. During the period 1978-82, according to the US Embassy, prices for Malawi's imports increased nearly 50 percent—and the cost of its oil imports rose 140 percent—while prices for the country's exports declined. Last year, according to the US Embassy, the country had a trade deficit of about \$50 million—nearly 20 percent larger than that of Brazil on a per capita basis. [ ]

Malawi's dependence on a few export commodities for foreign exchange leaves the economy highly vulnerable to world market conditions. Exports of sugar, the second-largest hard currency earner after tobacco, fell in value by more than 50 percent last year, according to the US Embassy. [ ]

The decline in revenues from sugar was partly a result of Washington's imposition of quotas last year. This action greatly distressed the Banda government, according to the US Embassy. Access to the US market had been a key factor in the sharp rise in Malawi's sugar production and exports between the mid-1970s and early 1980s. In 1981 the United States bought over 96,000 tons of Malawian sugar, representing approximately three-fourths of the country's sugar exports. In 1982, under the quota system, Washington purchased only 22,000 tons. [ ]

Drought has taken a considerable toll on agricultural production in recent years. In times of normal harvests, Malawi is one of the few African states that is self-sufficient in food production. But poor rainfall in

1980 and 1981 led to serious food shortages, according to US Embassy reporting. Rainfall and food supplies were adequate in 1982. Although much of southern Africa is again suffering from drought this year, US Embassy and other sources report that Malawi has been less hard hit than other states in the region. [ ]

Another major source of difficulty has been the disruption of traditional transport routes through Mozambique as a result of the fighting between South African-backed insurgents and the Marxist government of President Samora Machel. Prior to 1982 around 90 percent of Malawi's international trade traveled on Mozambican rail lines to and from the Indian Ocean ports of Beira and Nacala. In the past year, repeated guerrilla attacks have virtually closed the Beira route. Malawi is continuing to use the Nacala line, but US Embassy and other sources report that it is in poor repair and capable of handling only about one train a day. In addition, Nacala's port facilities are congested and inefficiently run, according to US Embassy and press reporting. [ ]

With the routes through Mozambique operating at far below capacity, over 60 percent of Malawi's international trade now moves through South African ports, according to press reports. Cargoes travel to and from South Africa via Zimbabwe and Zambia, using a combination of rail and road routes. Malawi also has had to make greater use of air freight despite the added expense. On occasion it has even had to bring in bulk commodities such as fuel and fertilizer by air. [ ]

#### **The Response: Belt Tightening and Foreign Aid**

The government has taken a series of steps in an effort to shore up the economy, including a 15-percent devaluation in 1982, sharp budget cuts this year, and recent upward adjustments in farm prices to stimulate production. In addition, portions of Malawi's foreign bilateral and commercial debts were rescheduled in late 1982 and early 1983.<sup>3</sup> [ ]

<sup>3</sup> By mid-1982, medium- and long-term debt had reached around \$650 million, of which one-third was in the form of commercial obligations. Despite the rescheduling of some \$35 million of the estimated official debt of \$200 million, as well as a portion of the country's commercial obligations, debt service still amounts to more than one-third of export earnings, as compared with only 15 percent in the 1970s. [ ]

Malawian officials also have appealed for greater outside assistance. Foreign aid has amounted to approximately \$200 million annually for the past several years, with the United Kingdom and the World Bank providing about two-thirds. US assistance—nearly \$70 million since independence, including about \$7.5 million this fiscal year—has promoted agricultural development, financed PL-480 commodities, and funded Peace Corps and International Military Education and Training (IMET) programs. [ ]

Malawi has looked to the International Monetary Fund as well. In August 1982, the Fund approved a one-year, \$24 million standby arrangement designed to encourage exports and reduce the country's trade gap. According to the US Embassy, the government appears to be making an earnest effort to comply with the terms of this agreement. The IMF last year also approved a \$13.2 million compensatory financing facility to cover shortfalls in Malawi's export revenues. Negotiations are currently under way for a two-year extended fund facility. [ ]

The World Bank made a \$45 million structural adjustment loan to Malawi in June 1981. Another such loan of approximately \$55 million is currently being negotiated; its main purposes would be to help diversify the country's agricultural export base and to improve the government's overall financial performance. [ ]

As a condition for the new loan, the World Bank may request that the government cut its subsidies for Banda's huge privately held conglomerate, Press Holdings, Ltd. According to the US Embassy, the conglomerate's business activities account for about one-fifth of Malawi's GDP. [ ]

#### **Bleak Economic Outlook**

Malawi will continue to be confronted with major economic troubles in the near term, in our judgment. We believe there is little likelihood of a significant upturn in the economy so long as world prices for the country's agricultural exports remain low and the

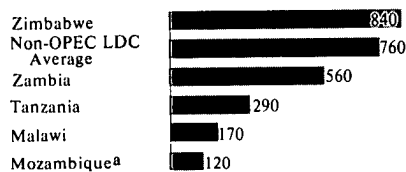
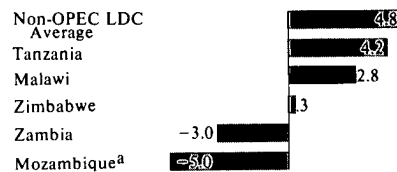
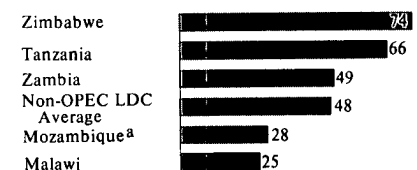
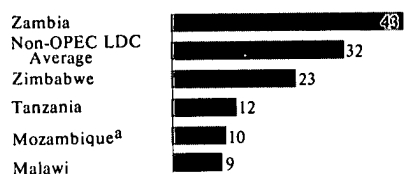
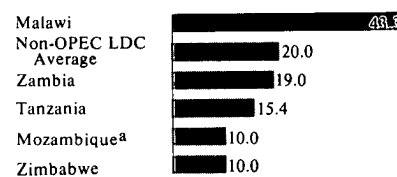
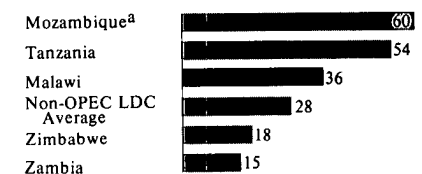
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**Malawi: Economic Comparisons**

Percent (unless noted otherwise)

**GDP per Capita, 1981**

US \$

**Real GDP Growth, 1977-81<sup>b</sup>****Adult Literacy, 1980****Urban Population, 1980****Debt Service as a Share of Exports, 1982<sup>c</sup>****Agriculture as a Share of GDP, 1980**<sup>a</sup> Estimated.<sup>b</sup> Annual average.<sup>c</sup> Excluding arrears.

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fighting in Mozambique continues. In our judgment, Malawi at best will realize limited growth in 1983—probably in the range of 1 to 2 percent (GDP basis). Moreover, this will be achieved only if there is adequate rainfall during the rest of the year and farmers respond to the recent price incentives.

Over time, rapid population growth—it has averaged just under 3 percent annually since independence—will continue to strain the country's limited resources. Almost all arable land is already under cultivation. Barring an unforeseen drop in the birth rate or unexpected gains in agricultural productivity, we believe Malawi in a few more years will no longer be self-sufficient in food production.

**Banda's Foreign Policy**

The Banda government also faces growing uncertainty in its foreign relations as it seeks to maintain amicable ties with traditional friends such as South Africa while also moving to reduce Malawi's international and regional isolation.

**Hostility Toward Communism**

Banda has long pursued a strongly pro-Western foreign policy and eschewed normal relations with most Communist countries. According to the US Embassy in Lilongwe, the President views Malawi as a capitalist-oriented island surrounded by leftist-influenced states. He also fears that the Soviets and their allies will arm Malawian dissidents in neighboring countries. Reporting from the Embassy and other sources indicates that the Soviets and East Europeans have provided educational scholarships to a few of the dissidents, but have not furnished military aid or training.

Communist countries have had little opportunity to develop networks of supporters or agents inside Malawi. No Communist state has been permitted to open a diplomatic mission in the country. Few Malawians, even among the minority who are well educated, have had much exposure to Communist ideology. Moreover, the US Embassy in Lilongwe has not detected the presence of any Communist front organizations in the country.

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Despite Banda's antipathy for Communism, over the past several years he has taken limited steps to improve relations with a few Marxist states. We believe these initiatives have not significantly altered his fundamentally pro-Western orientation:

- In 1980, in what we believe was its first commercial transaction with a Communist country, Malawi sold China \$16 million worth of tobacco. (On the other hand, Lilongwe continues to maintain full diplomatic relations with Taiwan, from which it receives small amounts of economic aid.)
- Last year Malawi and North Korea established diplomatic relations on a nonresidential basis. P'yongyang thus became the only Communist government that has diplomatic ties with Lilongwe.
- Earlier this year, the Banda regime permitted a correspondent for the Soviet Government newspaper *Izvestia* to tour the country for 10 days—the first visit to Malawi by any Soviet journalist or official since independence, according to the US Embassy.

#### Mending Fences in the Region

Although Malawi remains the only black African state that has diplomatic relations with South Africa—and one of the few to maintain diplomatic ties with Israel—the government has taken several steps in recent years to bring its regional policies somewhat more into line with those of neighboring regimes:

- In 1980 Malawi joined the Southern African Development Coordination Conference (SADCC), a grouping of nine black southern African states that seeks to promote regional development and to reduce the member countries' economic dependence on Pretoria. Malawi actively participates in the organization and was the host for a major SADCC conference in 1981.
- The government has been making an effort to improve its traditionally cool relations with its black-ruled neighbors—particularly Mozambique and Zambia. Diplomatic ties were established with

Mozambique last year, and the Malawian Government recently announced that it would be donating some food to drought-stricken Mozambique. Zambian President Kaunda was warmly received by Banda and the Malawian populace during a state visit in February 1982, and the two countries have established a joint commission to promote bilateral economic cooperation. [REDACTED]

While Lilongwe's relations with black-ruled countries in the region have improved, its diplomatic ties with Pretoria still spark criticism from these states. Other differences also persist. There are longstanding border disputes with Zambia and Tanzania, and Banda continues to view with disdain the socialist policies pursued by those two states as well as by Mozambique and Zimbabwe, according to US Embassy reporting. He is unhappy, moreover, that all four of these countries harbor Malawian dissidents, whom they treat as refugees. Also contributing to uneasiness in relations with Mozambique, according to Embassy reports, are signs that some Mozambican insurgents still operate from remote border areas of Malawi, although they do not appear to have bases there. [REDACTED]

#### Continuing Ties With Pretoria

While Malawi has sought to mend fences with its black neighbors, it has maintained cooperative ties with South Africa, despite occasional frictions in the relationship. Over the past decade Pretoria has provided loans and grants to finance a number of large projects, including construction of the capital at Lilongwe. The South Africans have also furnished fuel, grain, and fertilizer during periods of scarcity in recent years. [REDACTED]

The Malawians, moreover, have looked to South Africa over the years to employ some of their surplus workers. According to the US Embassy in Lilongwe, approximately 10,000 Malawians were employed in South Africa's mines in 1982. The total has fallen from a peak of about 176,000 in 1974, mainly because Pretoria has sought to use more of its own labor force in jobs previously held by foreigners. [REDACTED]



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South Africa enjoys a large trade surplus with Malawi. In 1980, for example, Malawi's imports from South Africa reached \$150 million, while South African imports from Malawi totaled \$7.4 million. The South Africans supplied 38 percent of Malawi's imports while buying only 3 percent of its exports.<sup>4</sup> [ ]

### Looking Past Banda

#### Succession Prospects

The greatest uncertainty confronting Malawi in the near term is the question of who will succeed the aged President. According to the Malawian constitution, if the office becomes vacant, a three-man presidential commission is to assume authority. This triumvirate is to be headed by the secretary general of the ruling party and is to include two ministers chosen by the party's National Executive Committee. The commission is to hold office until a national party convention selects a candidate for president and he is approved in a national referendum. [ ]

We believe the transition to a new leadership, whenever it occurs, probably will not adhere strictly to these constitutional procedures. The post of party secretary general is now vacant, although Robson Chirwa, a former cabinet member, was recently given most of the administrative responsibilities of the office. Chirwa remains outside Banda's inner circle and, in our judgment, is at most a long shot to succeed the President. [ ]

According to press reporting, many Malawians believe there is a strong possibility that Banda will, in effect, designate an heir by appointing a prime minister or vice president—offices not provided for in the constitution. He might then announce an intention to go overseas for rest or medical treatment. [ ]

If Banda chooses a successor in this manner in the near term, we believe that he might well choose central bank governor Tembo, and that Tembo's

<sup>4</sup> According to open-source reporting, Malawi's main markets are the United Kingdom, the United States, South Africa, Zimbabwe, West Germany, and the Netherlands. Its principal suppliers are South Africa, the United Kingdom, Japan, Zimbabwe, West Germany, and the Netherlands. [ ]

strong-willed niece, official hostess Kadzamira, probably would also continue to play an important role. We know from US Embassy reporting, however, that Tembo and Kadzamira are widely disliked by the Malawian people. Their unpopularity could result in considerable civil unrest if Banda named Tembo as a successor. These considerations might in fact lead Banda to designate a less controversial figure to succeed him—perhaps in a figurehead capacity, with Tembo wielding power behind the scenes. [ ]

If Banda were to leave the scene without having selected an heir, we think the circle comprised of Tembo, Kadzamira, presidential adviser Ngwiri, police chief Kamwana, and Army Commander Khanga would dominate the succession process. In view of the longstanding unpopularity of Tembo and Kadzamira, we think these two might choose to exert influence from behind the scenes, with one of the others in the group or possibly someone less well known occupying the presidency. [ ]

Because of Tembo's and Ngwiri's broader education and policymaking experience compared to the others, we would expect them to play central roles in economic and foreign policy matters. Khanga and Kamwana would probably focus primarily on internal security. Kadzamira's role is more difficult to predict, but she is a strong personality, according to US officials in Malawi, and we believe she would remain influential. In the event of violence or a protracted succession struggle, we believe that the Army, led by Khanga, would step in and take power. [ ]

#### Policies of a Future Government

All of the members of this circle have been closely identified with Banda's domestic and foreign policies and have shown little interest in changing them. For that reason, we anticipate that any future government will pursue policies promoting continuity rather than change, at least initially. At the same time, the new leadership probably will be unable to rule with the degree of authority Banda has commanded. To broaden its base of support, it might seek to make peace with some of the exiled dissidents and perhaps even offer government posts to a few of them. [ ]

Banda's successors almost certainly will continue his essentially free-enterprise economic approach, in our judgment. They are likely to seek additional Western aid and encourage more foreign investment.<sup>5</sup> But the new leaders will be confronted with the same underlying economic weaknesses that face the Banda regime—the narrowness of Malawi's export base, the absence of commercially exploitable mineral resources, and the country's dependence on transport links through unstable Mozambique. [redacted]

Over time, should the economic slide continue, we would expect to see growing popular unrest. Worsening economic conditions probably would lead to increased competition among tribal-regional groups for scarce resources and perquisites, aggravating tensions that have largely remained submerged during the Banda era.<sup>6</sup> In such circumstances, we would not be surprised to see a harsh crackdown by the government in an effort to maintain stability. We believe particular targets of such a crackdown might include the small but economically influential Asian (mainly Indian and Pakistani) community. [redacted]

#### Implications for the United States

We expect the government that follows Banda to continue his policy of maintaining close ties with the West.<sup>7</sup> In recent years, Malawi has had the best voting record from a US perspective of any African member of the United Nations, according to the US Embassy in Lilongwe. Banda's government also has consistently supported US efforts to settle the Namibian dispute and to bring about peaceful change in southern Africa. [redacted]

<sup>5</sup> In 1981 direct investment in Malawi by US firms totaled approximately \$23 million, according to the US Commerce Department. This amount will decline sharply if the Bank of America proceeds with plans to withdraw its \$12 million joint equity from the Commercial Bank of Malawi later this year. [redacted]

<sup>6</sup> According to press reports, many Malawians have long resented the disproportionate power enjoyed by members of Banda's Chewa tribe, based in the Central Region. Prominent Chewas include Army Commander Khanga, police chief Kamwana, and presidential adviser Ngwiri. Chewas and a related people, the Nyanja, constitute about half the population. [redacted]

<sup>7</sup> Although a power grab by unknown, radical young military officers or enlisted men is possible almost anywhere in Africa, we think this is unlikely in Malawi in view of the almost total lack of exposure of Malawian military personnel to Communist or other radical influences. [redacted]

Nonetheless, we believe Banda's successors may prove to be less tenacious in their attitudes toward Communism than he has been. They might well see advantages for Malawi in recognizing China and some East European states, although they almost certainly would not seek close ties. [redacted]

Banda's successors also would be likely, in our judgment, to move Malawi's regional policies closer to the African mainstream. They might adopt less moderate positions on North-South issues. In addition, they might become more vocal critics of apartheid and seek ways gradually to downgrade political ties with South Africa. We think they would move cautiously, however, lest they lose the economic benefits they derive from the relationship with Pretoria. [redacted]

Such international and regional policies could be accompanied by a modest cooling in relations with the United States. In all likelihood, however, Malawi would continue to look to the United States for economic and political support and would remain one of Washington's more reliable friends in Africa. [redacted]

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## Appendix A

### Hastings Kamuzu Banda: A Profile<sup>8</sup>

Born over 80 years ago in central Malawi and educated at Scottish mission schools . . . began working in South African mines as a youth . . . traveled to the United States in 1925 . . . undergraduate at University of Chicago and medical student at Meharry Medical College in Nashville . . . qualified as medical doctor in 1937. (u)

Continued medical studies in Britain . . . practiced in Scotland during the war years and later in London . . . while in United Kingdom met Kenyatta, Nkrumah, and other African nationalist leaders . . . moved to Ghana in 1953 after denouncing British colonial policy. [redacted]

Returned to Malawi in 1958 to lead the independence drive . . . jailed for 13 months . . . assumed leadership of newly formed Malawi Congress Party upon release in 1960 . . . led delegation to talks in London that paved the way for Malawi's independence in 1964. [redacted]

Slight and gnomelike in appearance . . . soft-spoken manner masks explosive temper and strong personality . . . has amassed a large personal fortune through his ownership of Press Holdings, Ltd. . . . speaks fluent English . . . bachelor . . . only intimate friend is his official hostess, "Mama" Cecilia Kadzamira . . . elder in the Church of Scotland. [redacted]

<sup>8</sup> This appendix is based largely on reporting from the US Embassy in Malawi and from press sources. [redacted]



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**Appendix B****The Succession: People to Watch**

**John Tembo**  
*Governor, Reserve Bank of Malawi*

Long regarded as one of the most powerful men in the government and as a major contender to succeed Banda ... has good access to the President through Cecilia Kadzamira, Banda's official hostess and Tembo's niece ... in charge of the country's central bank for over a decade ... Banda's preeminent adviser on financial matters ... age 50 ... intelligent, ambitious, an able manager ... said to be arrogant and to maintain an ostentatious lifestyle ... unpopular with most Malawians.



**Gen. Melvin Khanga**  
*Army Commander*

Thought to be highly loyal to Banda ... close to presidential adviser Ngwiri and police chief Kamwana ... British-trained career officer ... age 42 ... intelligent and capable ... respected by fellow officers and popular with Malawians, according to the US defense attache ... may have political aspirations ... almost any successor would need his support ... anti-Communist and an admirer of United States.

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**Cecilia Kadzamira**

*Banda's Official Hostess and Confidante*

Age 46 ... has been with Banda since before independence ... originally served as his nurse and housekeeper ... in recent years has been given the honorific title "Mama" ... known to exert considerable influence over the President, but precise nature of their relationship unclear ... disliked by most Malawians ... comes from prominent family ... Banda might designate her as his successor. [redacted]

**Mackson Kamwana**

*Inspector General of Police*

Influential member of Banda's inner circle ... age 47 ... British-trained police officer ... has headed police since 1971 ... longstanding reputation for professionalism and integrity was tarnished earlier this year by rumors of corruption ... popularity also hurt by apparent involvement of police in deaths of politicians this May ... [redacted]

[redacted] and will probably be among power brokers when Banda leaves scene ... anti-Soviet and friendly toward the United States. [redacted]



**John Ngwiri**

*Secretary to the President and Cabinet*

At present, is probably second in power only to the President ... serves as Banda's chief of staff ... oversees economic, security, and civil service matters ... has good working relations with Army Commander and police chief ... age 53 ... Canadian-educated ... is a skilled and able official. [redacted]

[redacted] has maintained a low profile. [redacted]

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**Robson Chirwa**  
*MCP Administrative Secretary and Minister  
Without Portfolio*

The senior party official after Banda . . . appointed to present party post in June 1983 and to ministerial position a month later. . . has not been named party secretary general, which would have made him the President's constitutional successor . . . age 51 . . . an educator by background . . . has held key ministerial and party posts, but US Embassy officials view him as lacking in political sophistication and ambition . . . probably will be dominated by stronger figures in the government.

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